



## Tennessee Agricultural Enhancement Program

# Producer Diversification Cost Share Program



### Changing, Expanding, Improving Through Agricultural Growth Initiative Producer Diversification Cost Share

The purpose of this program is to **increase farm income in Tennessee** by encouraging producers to expand and improve their operations through production of diversified agricultural products. This goal will be achieved by providing cost share funds for farmers to install farm infrastructure, purchase specialty equipment and market their diversified farm products.

Diversified agricultural products include agri-tourism, aquaculture, bees, fruits and vegetables, goats & sheep, horticulture, organics, value-added products, viticulture, and others as approved by the Tennessee Department of Agriculture.

This initiative is funded through an appropriation for farm programs in the state's budget as proposed by Governor Phil Bredesen and supported by the Tennessee General Assembly.

#### Cost Share Reimbursement

Producers can apply for reimbursement of **35 % cost share**, up to the maximum, for activities or items within three funding categories. **The maximum cost share available per producer is \$10,000 per fiscal year.** Producers may submit only one application per fiscal year.

#### Cost Share Activity

Proposed activities for cost share must demonstrate significant potential for **increasing farm income**

through the improvement or expansion of farm or agri-business operations involving the production of diversified agricultural products. In addition, proposed activities must:

- Be market driven and have a viable marketing plan
- Establish something new, not substitute for on-going projects
- Meet all state and local food safety and regulatory requirements
- Produce long-term benefits

The three categories are defined below:

**Farm Infrastructure** – installations that facilitate the production of diversified agricultural products. Activities must have a life span of least three years. Labor is only reimbursable if conducted by a professional. Examples include greenhouses, retail shelters, and public use considerations such as handicap accessible, lighting, parking areas, restroom facilities, and safe way areas. *Ineligible* – fencing, clearing of land & general landscaping, general maintenance/renovations, major construction (barns, storage buildings, show facilities), water source creation (i.e., pond or well).

**Marketing** – promotional efforts that benefit the expansion or improvement of diversified agricultural operations. Emphasis is placed on activities that are innovative to the operation

and/or have long-term benefits. It is recommended that marketing activities involve professional agencies/services. Trade shows are not eligible for funding unless they are part of a TDA program. Examples include advertising, brochures, direct promotions, e-commerce & Web site development, maps, and signs. *Ineligible* – annual meetings, community festivals, give-a-way promotional items, and general office equipment and supplies.

**Specialty Equipment** – specialized tool or equipment that aids in the production of diversified agricultural products. Items must have a life span of least three years. Examples include automated harvesters, chilling units, custom crushers, heaters, planters, spray and irrigation equipment. *Ineligible* – general motorized equipment (mowers, tractors, trucks) and inputs (fertilizer, gasoline, operational supplies, pesticides, seed stock).

**Other ineligible costs** include, but are not limited to,

- Administrative overhead costs
- Paying off existing debt
- Purchase of property
- Travel and other expenses related to the day-to-day operation of the organization
- Salaries, wages, and fringe benefits

### Examples of Cost Share Activity by Product/Industry

**Agri-tourism:** new enterprise development, retail shelters, and public use considerations such as handicap accessible, lighting, parking areas, restroom facilities, and safe way areas. *Ineligible* – general landscaping for aesthetic purposes and motorized rides.

**Aquaculture:** aerators, harvesting equipment, ponds (producing). *Ineligible* – food and fish stock.

**Bees:** The proposed activity must encompass quality expansion or improvement of pollination or production. The only eligible items are: apiary expansion, beehives, honey processing equipment, and trailers for pollination service.

**Fruits & Vegetables:** coolers, fruit producing liners for orchards, irrigation, plasticulture materials. *Ineligible* – inputs (fertilizer, pesticides, seed stock).

**Goats/Sheep:** handling equipment specific to goats/sheep, electric fencing for pasture rotation and predatory control, panels/pens for holding areas, and

modification of existing structures. *Ineligible* – buildings/barns, genetics, inputs (feed, vet health and pharmaceuticals) and perimeter fencing.

**Horticulture:** automated equipment, coolers, greenhouse construction and materials, heaters, irrigation, potting wagons. *Ineligible* – inputs (drip tape, fertilizer, liners/plugs, seed stock), pots and containers.

**Organics:** Hoop houses, hydroponics, irrigation, and marketing. *Ineligible* – inputs (fertilizer, seed stock, pest management).

**Value-added products:** advertising, e-commerce and Web site development, loading dock, production equipment. *Ineligible* – product development, rent, supplies such as containers, ingredients, and labels.

**Viticulture:** chilling units, custom crushers, mechanical harvesters, trellis materials, vine stock. *Ineligible* – inputs (fertilizer, pesticides) and winemaking equipment.

## Applicant Eligibility Requirements

- Applicants must be Tennessee residents and operate a farm or agri-business located in the state
- Applicants with livestock must register their premises with the Tennessee Department of Agriculture (TDA) for the National Animal Identification Program. Applicants can register their livestock premises at Farm Service Agency, UT Extension, Farm Bureau or Tennessee Farmers Co-op locations. Premise registration forms and instructions are also available from TDA on-line at [www.tennessee.gov/agriculture/tpis](http://www.tennessee.gov/agriculture/tpis) or by calling (615) 837-5120
- Applicants must be 18 years of age as of January 1 of current year
- Applicants must have demonstrated ability and financial capacity to conduct activity
- State of Tennessee employees directly in the administration of the program are not eligible

## Application Period:

Start accepting applications:	July 1, 2006
Deadline for applications:	September 30, 2006
Announce approved projects:	October 16, 2006
Cost share cycle ends:	October 15, 2007

Applications are available through TDA Market Development office, UT Extension, Farm Bureau or local farm supply stores and may be downloaded from the Department's Web Site, [www.picktnproducts.org](http://www.picktnproducts.org).

**Applications must be postmarked by September 30, 2006 to be eligible for review.** Producers will have until October 15, 2007 to complete approved activities and submit reimbursement paperwork. Only projects that are **approved in advance** by TDA will be eligible for cost share assistance.

## Application Review Criteria

**Applications will be evaluated on a competitive basis by industry sector.** TDA staff will conduct application reviews.

Only applications that are complete and include sufficient information will be considered for evaluation. The application must merit financial support and demonstrate that the proposed activity has clearly stated

objectives, a sound work plan, and the applicant has necessary expertise to successfully complete the project. As part of the evaluation process, a meeting with the applicant and/or a visit to the applicant's enterprise may be required.

## TDA reserves the right to:

- Reject any or all requests
- Provide partial funding for specific activity components that may be less than the full amount requested
- Provide funding contingent on receiving additional information or testimony from the applicant
- Consider each cost share request on a case by case basis
- Waive or modify minor irregularities in requests
- Require the applicant to work with TDA to complete all aspects of the application and reporting requirements
- Withhold payments that do not meet cost share conditions
- Require the applicant to repay funds if they fail to complete all aspects of cost share application
- Inspect funded projects

## Authorization Record

A **Grant Authorization and Project Record** will be issued by the TDA for each approved application. Funding is not considered approved until the applicant receives an approval letter and a copy of this form. **Purchases made prior to the approved date are not eligible for reimbursement.**

TDA staff will monitor and evaluate each funded activity. TDA reserves the right to make site visits relating to the performance of the activity during and following completion.

## Reporting Requirements

Following the completion of the approved cost share activity, the producer will complete and sign the **Grant Authorization and Project Record** and return it

to the TDA along with a **Project Summary**. This summary will include:

## Performance Measures

Projected Increased Income – generated as a result of your cost share project for the next three years.

## Project Costs

List total cost of project. Include all expenses, even if they were not eligible for cost share reimbursement.

## Narrative Feedback

Describe the immediate impacts of cost share activity.

## Receipt Summary

List and attach receipts of actual expenses as outlined in activity budget.

## Documentation Checklist

Photograph of equipment or facilities purchased and/or installed  
Copies of marketing materials prepared and/or purchased  
Completed Substitute W-9 and ACH (Automated Clearing House) forms, if requested by the Department

## Payments

Following TDA review of the materials submitted and if no additional information or site visits are required, the Department will request payment to the producer.

*Falsifying applications, invoices or other documents submitted to the department will make that producer and farm ineligible to participate in present and/or future TDA programs and could result in civil litigation or criminal prosecution.*

## Contact

Please direct any questions concerning this program to:  
Agricultural Growth Initiative Coordinator  
Tennessee Department of Agriculture  
P.O. Box 40627, Nashville, TN 37204  
(615) 837-5346 – Phone  
(615) 837-5194 – Fax  
[Ag.Growth@state.tn.us](mailto:Ag.Growth@state.tn.us)

For more detailed information and support materials, go to [www.picktnproducts.org](http://www.picktnproducts.org).

## Applicant Checklist

- Do you meet the eligibility requirements?
- Do you have your Premise ID? Required for applicants with livestock.
- Have you completed all sections of the application?
- Did you sign your application?
- Is your application narrative attached?
- Did you list quote sources or attach actual quotes?
- Does your total request for cost share assistance fall within the maximum allotment available (\$10,000 or under)?
- Please make a copy of your application and support documents for your reference.



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# TAEP PRODUCER DIVERSIFICATION COST SHARE APPLICATION

(Please Type or Print Legibly)

Date:					Office Use Only – Date Received					
<b>APPLICANT INFORMATION</b>										
Last Name:			First Name:			Middle Initial:	<input type="checkbox"/> Mr.	<input type="checkbox"/> Miss	SSN or Federal Tax ID:	
							<input type="checkbox"/> Mrs.	<input type="checkbox"/> Ms.		
Name of Operation:					Location of Operation (County):					
Mailing address (street, town, zip):					Home Phone #:					
					Cell Phone #:					
Address of operation (street, town, zip), if different than above:					E-mail address:					
					Website:					
<b>Required For Livestock Producers:</b>			Premise ID #:			Premise Acct#:				
<b>INDUSTRY SECTOR</b>										
<input type="checkbox"/> Agri-tourism <input type="checkbox"/> Aquaculture <input type="checkbox"/> Bees <input type="checkbox"/> Fruits & Vegetables <input type="checkbox"/> Goats/Sheep <input type="checkbox"/> Horticulture <input type="checkbox"/> Organics <input type="checkbox"/> Value-added Products <input type="checkbox"/> Viticulture										
<b>APPLICATION QUESTIONNAIRE</b>										
Name of project: (i.e., greenhouse, retail shelter, sprayer, website)										
Total Amount of Cost Share Requested: \$ _____					Have you received TAEP funding before? <input type="checkbox"/> Yes <input type="checkbox"/> No					
Years in business:		# of employees:		Acreage:			Sales volume:			
What products do you currently produce?										
Did you have assistance in planning this project? <input type="checkbox"/> Yes <input type="checkbox"/> No					If yes, please indicate whom you are working with.					
(i.e., county extension agent, industry expert, specialized group or association)										
<b>APPLICATION NARRATIVE</b>										
<b>On separate paper, provide a typed or neatly hand-written narrative (no more than 3 pages in length) addressing each of the following questions.</b> It is important to fill out your answers in detail. This is the primary information that the selection committee will have in their efforts to decide which proposals are funded. <b><i>Incomplete applications will not be considered for evaluation.</i></b>										
1. Briefly describe the history of your operation. 2. Describe your proposed cost share activity. 3. Explain how this cost share activity will improve or expand your operation. 4. Describe the impact this cost share activity will have on your farm income. 5. Outline the plan of work and timeline for completing this cost share activity. 6. Summarize your marketing plan for your diversified agricultural product(s).										
<b>- CONTINUED -</b>										

## ACTIVITY BUDGET

Provide a **detailed, line-item budget** for the proposed activity using the format presented in the following table.

1. Research the costs related to your proposed activity.
2. List each item on a separate line.
3. Provide a quote source for each item. Attach quotes if the project is large scale (i.e., greenhouse, restrooms), involves many components (i.e., drip irrigation system), or labor (labor must be quoted to be eligible for cost share assistance).
4. Indicate which items will be involved in cost share.
5. Total the amount of cost share request. This amount cannot exceed the maximum of \$10,000.

Item Description	Source of Quote	Cost	Cost Share Request (35% of cost up to MAX)
<b>Total Cost of Activity:</b>			
<b>Total Request for Cost Share:</b> <b>(10,000 MAX)</b>			

I certify that all the information on this application is complete, true, and factual to the best of my knowledge and belief. I understand that providing any false, fraudulent, or misleading information may result in penalties and/or make this farm/tract ineligible to participate in present and/or future Tennessee Department of Agriculture programs.

*Producer Signature*

*Date*

**Mail to:**

**TN Dept. of Agriculture  
Attn: TAEP AG Growth Initiative  
P.O. Box 40627  
Nashville, TN 37204**

**Applications must be postmarked by:**

**September 30, 2006**

**Contact:**

**Agricultural Growth Initiative Coordinator  
(615) 837-5346  
[Ag.Growth@state.tn.us](mailto:Ag.Growth@state.tn.us)**

### OFFICE USE ONLY

Date of Approval:

Amount Approved:

Notes: